



Ambassador Jeffrey L. Bleich – ANZ Trustees Philanthropy Dinner

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**Remarks of Ambassador Bleich  
at the ANZ Trustees Philanthropy Pre-Conference Network  
Dinner, Sydney**

*(As prepared for delivery – September 3, 2012)*

It's an honor to be invited to address you tonight, and I'm very grateful to the ANZ trustees for hosting us. I'd like to especially thank Teresa Zolnierkiewicz, head of philanthropy of ANZ Trustees. I know a lot of you have stumbled over the pronunciation of "Teresa." (Laughter) Thank you also to Bruce Bonyhady, president of Philanthropy Australia, for sponsoring this event.

Teresa asked me to share a few thoughts about philanthropy in America, and then as she said we'll sit down on this couch together. Unlike some of my countrymen, I won't be talking to the empty couch. (Laughter) And we'll look forward to some Q & A, then.

In explaining U.S. philanthropy, one of the best insights I've heard is this. In the U.S., charity is not about giving a gift – it is about making a commitment. The distinction is subtle, but perhaps this story can help clarify it. A chicken and a pig are talking, and they decide that for the farmer's birthday they should do something special for him. So the chicken says, "I know, we can give him breakfast. I'll provide the egg, and you provide the bacon." (Laughter)

The chicken is making a gift. The pig is making a commitment. (Laughter)

As I'll describe, the unique features of philanthropy in the U.S. are that:

- First, there's a genuine expectation that people should give, and that expectation is set early on. Currently 89% of American households give to charity.
- Second, giving is structured to be a habit with specific giving seasons and forms of giving; and
- Third, there is an appreciation that giving money requires some expertise. In fact, giving money wisely can be almost as difficult as making money.



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Let me begin with some background on the history and culture of philanthropy in the U.S., which dates back to before our founding. Because I know that people always want the after-dinner speaker to begin chronologically 300 years ago. (Laughter).

Alexis de Tocqueville, the famous chronicler of America, who wrote *Democracy in America*, observe that from its founding, part of our America's national character concerned donating time and money for voluntary, private causes.

In fact, that tradition goes back even earlier than de Tocqueville recognized. Over 300 years ago, in 1710, Cotton Mather, published *Essays to Do Good*. That book had profoundly influenced the Founding Fathers, particularly Ben Franklin.

Franklin, of course, went on to be a founder, statesman, inventor, diplomat, philosopher, and writer. But he was also first-class philanthropist and do-gooder. Among other things, he helped found a university (UPenn), the first general hospital in the United States, a library, a volunteer fire service, and his own charitable trust. And Franklin, of course, wrote *Poor Richard's Almanack*, which contains any number of useful quotes. But for tonight's topic, this insight seems the most apt:

"The best thing to give to your enemy is forgiveness; to an opponent, tolerance; to a friend, your heart; to your child, a good example; to a father, deference; to your mother, conduct that will make her proud of you; to yourself, respect; to all men, charity."

Franklin also said: "Beer is proof that God loves us, and wants us to be happy." (Laughter) So he clearly had good judgment on how to live. (Laughter)

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So let me describe how this tradition has manifested in America.

How to Ask: First, in the United States, we have a number of conventions in place that help people overcome their natural shyness about asking others for money. Talking about giving away money is not an easy thing. Wealth is inherently about intensely personal things: about your own values, priorities, finances, and other things that we may be reluctant to discuss publicly.

One way to help overcome this tendency is to start early before young people have much money or inhibitions to worry about. In the U.S., we often start very, very young. When I was six, and would go out at Halloween, trick or treating, my school gave us a UNICEF box that we would present at every door and say "trick or treat for UNICEF" which was a



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way of getting our candy-giving neighbors to also put some change in the box for UNICEF. Ten-year-olds go door to door or camp out in front of the supermarket selling Girl Scout cookies as a way to raise funds, or they sell raffle tickets for school events.

As we get older, and join boards, the expectation is that you will be comfortable asking and being asked for money. In fact, it is a tradition that part of being a member of the board is that you will either donate a certain amount personally or promise to raise that amount from others. That is part of the initial conversation whenever you agree to join a non-profit board – and there are even phrases for it. For example, people will say: you have to “write” or “raise” (write a check or raise the amount from others). Sometimes it is called “give or get,” or “pay or pray.” It is common enough that it has its own vocabulary – the way there are hundreds of words for snow in Sweden.

In fact, we just assumed this expectation was the same everywhere. For example, a friend of ours was invited to join a non-profit board shortly after she’d arrived here. She said she was very interested and she asked what her commitment would be. And she was told, well we meet once a month, and the meetings last about this long, and here are the criteria we use . . . . And so she said, “no, I meant the financial contribution, how much do I need to give or raise?” And the board members told her that there was no expectation; that her contribution was serving on the board.

Now this was nice . . . . (Laughter) But, in the U.S., that would never go. In fact, we have a term for a Board member who does not give or raise money. They’re called “ex-Board members.” (Laughter)

The training though makes it easier to ask people to give. I remember several non-profit lunches or dinners, where I would give the pitch. I’d explain that the envelope and pens in the center of the table were not decorative. (Laughter) The lovely Marriott pens were theirs to keep, once they used them to make a donation. (Laughter) No, they shouldn’t just take the envelope and plan to send it back from home, because they would likely forget. So now was the time. There was no rush. (Laughter) We’d locked the doors (Laughter). No one’s going anywhere . . . . (Laughter). That sort of of thing.

How to Give: Second, just as we train people to ask for money, we also do our best to train people to give and to plan their year around giving. In school, children are trained to bring in food items or clothes during the holiday season as part of their way to give to charity. Later, this gets them used to the so-called giving season. The main time that most people give money is during the holidays. This is both because they receive many messages and requests at that time of year to remember those less fortunate, but also because it is the end of the tax year and they need to give before January 1 to get the tax advantages for that year. In some categories, 90% of donations occur during the giving season.



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The other time of year that is most popular for donations is the middle of the year. Some organizations set their fiscal year in July in part to avoid having to compete with all of the December requests. The really crafty charities send out requests at both times of the year, banking on the fact that in December you may have forgotten that you already gave in June. (Laughter)

The importance of developing habits for giving really came home to me when I started fundraising for my old law school, the University of California Berkeley. I attended two private schools before I went to UC, and from the day I graduated from them, I'd been told I needed to donate and to pay forward my education which had been funded in part by alums who came before me. The giving rate among students at those colleges was about 70% of all alums. In fact, Harvard raises so much money each year, I sometimes think they are raising it just to build bigger buildings to house all their money.

By contrast, fundraising for UC proved harder. UC Berkeley was originally a state funded school with a very small tuition. Students would not leave with any debt, and they were not asked to give once they graduated. Over the years, as public education budgets have shrunk, the UCs needed to get alumni to donate to make up the shortfall. But, because older UC grads were not trained to give (and didn't feel that anyone had given to help them), only about 15% of UC grads donated. Interestingly, once we started encouraging newer grads to give they have been giving at the same rate as private school grads – about 70%. And their example has made it easier to get successive classes to give.

How to Give Wisely: Finally, there are some lessons that have been learned about giving wisely. One tradition has been to try to aggregate donations and to put professionals in charge of distribution of charitable dollars. Almost every charity and donation begins with some strong, heartfelt connection to an issue – whether it is eradicating a disease that afflicts a loved one, or to address a particular injustice, or a desire to give people the advantages of something that changed our lives – whether it is education, mentoring, religious faith. But making sure donations accomplish those goals is always tougher than it seems. In fact, giving money wisely can be just as difficult as making money: We give to causes because of inspiration, but having it achieve the desired effect takes some perspiration.

The Industrialists from the turn of the century – the Rockefellers, Carnegies, Mellons, etc. – would often meet to compare notes, to pool resources, and set up professionally run trusts. The wealthiest donors' largest destination for donations is Foundations.

In the past decade, some of the wealthiest Americans have taken up a challenge from Warren Buffet and Bill and Melinda Gates to give away the majority of their wealth. I recall when Warren Buffet decided to do this because my old law firm actually prepared



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the papers for it. He decided to give virtually all of his money to the Gates foundation, and his logic was fairly simple. He said that he had devoted his life to accumulating and investing capital and he was pretty good at it. But he had never devoted any serious time or attention to how to spend money and he likely did not have enough time or talent left to do a good job of it. Warren reasoned that Bill seemed like a smart guy who had decided to devote the rest of his life to the effort, and so he figured Gates would do a better job of allocating money to make the world better than Warren ever could.

One of the greatest contributions of this effort to get billionaires to give, though, was not just the money that allows good programs to help improve our communities and nation, it is the inspiration they've given to others. The wealthy individuals who have taken this pledge were, in most cases, born into modest means. But they benefited from a solid public education, or a committed mentor, and hard work and luck as entrepreneurs. Others were born into wealth but taught at an early age that with their good fortune came great responsibility, and felt lucky to have parents who instilled in them values that saved them from the fate of a lot of children of wealth.

These donors have written short letters about their decisions posted on "The Giving Pledge" website. Although the donors reflect very different philosophies on business, politics, the relative importance of hard work or luck, and whether philanthropy should be a public or private act, their messages have a common theme. They reveal that the difference between a commitment and a gift is a difference that truly matters. The absolute dollar figure is less important than the fact that you experience the feeling of parting with the amount. It is the human quality of making a sacrifice for another – a sense of purpose, joy, and responsibility, and appreciation for those who made sacrifices for you.

I'd like to conclude with one of these letters; this one written by Mayor Michael Bloomberg, which I think captures this spirit:

Making a difference in people's lives - and seeing it with your own eyes - is perhaps the most satisfying thing you'll ever do. If you want to fully enjoy life - give. And if you want to do something for your children and show how much you love them, the single best thing - by far - is to support organizations that will create a better world for them and their children.

Giving also allows you to leave a legacy that many others will remember. Rockefeller, Carnegie, Frick, Vanderbilt, Stanford, Duke - we remember them more for the long-term effects of their philanthropy than for the companies they founded, or for their



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descendents. And by giving, we inspire others to give of themselves, whether their money or their time.

And the larger this group grows, the more people will share in the pleasure of giving, as well as the benefits that it will bring to the world.

I see the same spirit of generosity here in Australia. I see it in those Queenslanders who the day after the floods last year, picked up shovels and brooms and went to work, as well as provided money, food, and clothing for neighbors. I see it in Dick Smith's charitable ventures and other wealthy individuals like Andrew Forrest, who funded an organization like Generation One.

And it's true of those present at tonight's dinner. You would not be here tonight if you did not share that spirit. So on behalf of your sister nation across the Pacific, thank you for being kindred spirits. Our countries depend upon this generosity of mind and spirit.

In closing, if I could summarize all of this in a sentence, it would be Winston Churchill's insight: "We make a living by what we get, we make a life by what we give."

Thank you.